



Company No SC153343

**AGE SCOTLAND
(LIMITED BY GUARANTEE)**

**TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

Charity No SC010100

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

COMPANY INFORMATION

Trustees

Lord George Foulkes, Chair
Dorry McLaughlin, Vice Chair
Tom O'Connell, Treasurer
Pennie Taylor
Prof. Brendan McCormack
Dr Alasdair Rutherford
Kenneth Nicholson
Alison Harrington
Sir Geoff Palmer
Prof. Marion McMurdo

Treasurer

Tom O'Connell C.A.

Independent Auditor

BDO LLP
Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

Bankers

Bank of Scotland
32 Brandon Parade South
Motherwell
ML1 1RB

Solicitors

Turcan Connell
Princes Exchange
1 Earl Grey Street
Edinburgh
EH3 9EE

Registered Office

Causewayside House
160 Causewayside
Edinburgh
EH9 1PR

Company No.

SC153343

Charity No.

SC010100

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

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AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Trustees have pleasure in presenting the Trustees' Report and audited financial statements for the year ended 31 March 2018

The Directors of the Charitable Company (the Charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Group consists of the charity together with two wholly owned trading subsidiaries; Age Scotland Trading Ltd and Age Scotland Enterprises Ltd.

Our vision for older people in Scotland

A Scotland and a world where older people flourish as valued and equal citizens.

Our part in fulfilling that vision; our Mission

To help all older people present a strong and effective voice and to reduce the challenges for those facing serious and multiple disadvantage as they grow older.

Financial Review

The group's result for the year is a £1,397,723 surplus (2017: £1,158,939). The Charity continues to identify and implement efficiencies where possible. The continued increase in legacies received within the year, has supported the increased surplus. The Charity has also been successful in attracting restricted funding throughout the year for its various projects as outlined in Note 20 to the financial statements.

The Charity's work is highly dependent upon the level of legacies and donations it receives from the public each year. In addition, Age Scotland Enterprises Ltd and Age Scotland Trading Ltd support the Charity by delivering differing levels of gift aid. The Charity is also reliant upon the Scottish Government and other agencies for its restricted project funding. In 2017/18 this amounted to £888,356 (2017 £932,277).

Legacies

Age Scotland benefited from over £1.6 million (2017: £1.4M) in legacy gifts.

Donations

The Charity received £141,170 (2017: £194,308) from donations during the year.

Trading

Age Scotland Enterprises Ltd

The operating profit for the year ended at £404K, which although 7% below plan, is still considered a strong performance considering the very competitive market place it operates in. Lottery and Travel were the strongest performing streams while Home and Motor fell by 21% and 19% respectively against plan. Costs were controlled throughout the year and overall expenditure fell by £27K below plan.

The £404K profit is split between Edinburgh £341K and Glasgow £63K.

Age Scotland Trading Ltd

During the year the programme continued to wind down our Retail operations, a decision taken in 2016/17.

For the year 2017/2018 the overall business incurred a net loss of £6K, which was £17k better than plan. The two remaining shops, Bathgate and Broxburn generated a net profit of £53K. This was offset by costs incurred relating to the closure of the Nicholson Street and Union Street shops and the requirement for major repairs on the Ayr shop. The reduction of the retail portfolio will continue with the closure of the Bathgate Shop in August 2018.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (contd)

Trustees' Review

The Trustees of Age Scotland continually review its Strategic Plan against the external environment in which we operate. A refresh of the plan was undertaken, leading to three Strategic Aims being agreed by the Board;

- We promote positive views of ageing and later life
- We help older people to be as well as they can be
- We tackle isolation and loneliness

Key Performance Indicators 2017-2018

In agreeing a refreshed Strategic Plan the Trustees also agreed to receive quarterly reports on the progress made against the Strategic Outcomes and the underpinning Key Performance Indicators (KPIs). A RAG (red/amber/green) flag system is currently used to measure the KPIs.

The core Strategic Outcomes and KPIs are:

People have positive views of ageing and later life	Number of opportunities Age Scotland obtains or utilises to participate in developing, implementing and evaluating policy and practice affecting older people
Older people keep well	Engagement with AHP programme and Early Stage Dementia events
Older people are not lonely	Number of friendship calls received
Engage and involve people	Number of applicants for advertised staff roles with the charity
Be a well-run charity	Retaining unrestricted reserves equivalent to at least 6 months operating costs
Measure and evaluate our impact	Evaluations conducted and used for external purposes (including annual reviews and funding applications).

A brief summary of our activities, against the strategic aims, is as follows:

Charity Services

We promote positive views of ageing

The charity has a valuable relationship with the Scottish Government as an established national stakeholder. We have regular opportunities to discuss and influence government policy on a wide range of issues that affect older people in Scotland. Over the last year 2017/18 we have had positive engagement on issues such as social security, the national transport strategy, social care, housing, energy efficiency, loneliness and social isolation.

The major study undertaken in conjunction with the University of Stirling and funded by the Life Changes Trust, "Quality of Life" was published in the Autumn of 2017. The purpose of this work was to establish the kind of life older people wish to live in their later years. The research explored what older people think is needed to achieve and maintain a good life, as well as how good life might differ if an individual finds themselves developing a long-term condition, or if they become a carer.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (contd)

The Community Development Team have been providing individual support and relationship building visits to groups throughout the country all year round, including Men's Sheds through a dedicated member of the team. The Community Development Team organised 17 Age Scotland network meetings for member groups across Scotland, with a total of 417 people in attendance, this excludes specific Men's Sheds network meetings. These network meetings have been opportunities for extensive consultation with members on a variety of policy issues and delivery of presentations, as well as getting to know each other.

The Policy and Communications team vigorously challenge negative stereotypes of people in later life in the media offering counterpoint and case studies to demonstrate the value, experience and positive contribution older people in Scotland make.

The Age Scotland website has undergone an extensive behind the scenes overhaul and will be further developed into a high quality hub for news, campaigns and information. Regular updates to the website with new information and advice publications takes place. Work to enhance the messaging and impact of the charity's social media accounts and email tools have been undertaken.

In March 2018, the Charity's fourth annual National Conference "*Later Life in Scotland; Taking the Long View*" was held in Glasgow with the theme of celebrating 75 years of our evolution. More than 330 members, exhibitors, staff and partners took part in a fantastic awards ceremony, high quality workshops, discussions, speeches and information stands. The Conference highlights included a speech from Scotland's Makar Jackie Kay and the awards ceremony hosted by the BBC's Jackie Bird which recognised the significant impact that Age Scotland members and groups have in their communities across Scotland.

Three editions of Advantage magazine were produced and with a total of 20,000 copies distributed to members, groups, partners and associations across the country.

We help older people to be as well as they can be

The Age Scotland Helpline continues to provide high quality advice on a wide range of complex issues to older people and their families. The helpline takes up to 1000 calls per month and over the year more than 10,000 calls were handled. This reduction in calls from the previous year is as a result of the nature of the calls changing. There are less regular calls from older people seeking to chat due to the partnership with The Silver Line ending in October 2016.

Of the 15,618 issues addressed by the helpline advisers, the largest proportion were to do with benefits and entitlements (32%), followed by issues with social care (24%). Helpline advisers were successful in soliciting an extra £587,176.68 in unclaimed benefits and entitlements for older people following their benefits check process.

The Age Scotland Information and Advice service produces guides and factsheets and work with Age UK and other partners to ensure that their information is relevant to Scotland. Major publications that were produced includes the Benefits Maze, Power of Attorney, Care and Care Funding and a guide on Attendance Allowance. The popular Age Maze guide is regularly updated. Last year 34,621 publications were requested and sent to people in Scotland and a further 24,753 were downloaded from the website.

Our Veterans' Project team work with the helpline, information and advice and Community Development to promote the rights of older veterans and advertise initiatives where they can get extra support, whether it is healthcare, transport assistance, benefit entitlements or respite. The team conduct outreach activities to older veterans groups across Scotland and work in partnership with others from the Unforgotten Forces consortium to develop policy initiatives.

The Early Stage Dementia Project, which is funded by the Life Changes Trust, delivers training to all staff and to member groups to aid our charity's development to being dementia aware. New information resources are

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (contd)

developed, including 12 dementia related publications. We continue to deliver training focused specifically at workplaces and highlight dementia awareness through the media.

The "Warm and Well" project which advises older people in Scotland's four largest cities on energy efficiency initiatives and actions they can take to keep their home warm, delivered 26 sessions and held six advice stands. Large numbers attending both the sessions and the advice stands, we have managed to reach more than 400 older people.

At the end of 2017 we began working with Transport Scotland, the Scottish Government's Transport Agency, to deliver consultation events with older people across the country to help develop the National Transport Strategy. This strategic document, referred to as "NTS2" will set out their transport strategic and spending priorities for the next 20 years. The delivery of more than 20 consultation sessions will take place from Spring 2018 through to the Autumn of the year, but considerable planning work was undertaken beforehand. Our aim is to ensure that the needs and views of older people are taken into account and that Scotland's transport infrastructure is fit for purpose against a backdrop of an ageing population.

The Age Scotland Housing Project has been conducting research into the housing needs of older people in conjunction with ScotInForm providing valuable insights and data to inform the writing of a new "*Your choice of home in later life: a guide to housing options for older people in Scotland*" which will launch in June 2018. Data from this survey is regularly used in the media. The University of Stirling have been commissioned to transcribe focus group work and produce a report to inform future deliverables of the project. Staff have been involved with the development of the Scottish Government's Planning Bill with the aim to enhance provision of age friendly places and to build in elements of better intergenerational developments.

More than 19,000 copies of the Age Scotland thermometer, funded by the Scottish Government, were distributed to older people and groups throughout Scotland. These were hugely sought after and provide people with simple advice on keeping warm, contact details for the Age Scotland Helpline and Home Energy Scotland as well as a scaled thermometer to alert people when a room is too cold (increased risk of health problems), comfortable (ideal room temperature) or too hot (risk of high fuel bills).

Our Allied Health Professionals, who are funded by the charity and the Robertson Trust, have been training organisations and rolling out our "Body Boosting Bingo" exercise programme to member groups across Scotland. There were 45 Body Boosting Bingo sessions to 890 people in 27 locations and "Age Awareness" training sessions were delivered to around 280 people. This training has received very positive evaluations with marked shift (40% in some cases) in understanding issues affecting older people, reactive behaviours and successful ageing.

As part of the Planning for Your Future training there have been 32 health and wellbeing sessions with over 400 participants.

The "Let's Get Moving" Munro Challenge was completed on 31st January 2018 and announced at the March conference in Glasgow. 18,487 miles were completed by 22 groups and 20 staff – the equivalent of climbing up and down all Scotland's 282 Munros, 42 times.

Good progress was made in 2017/18 with Age Scotland's training propositions to the public and private sector. There has been a more receptive take-up from non-departmental government bodies than the private sector in this period. The training programme has been developed and wholly funded by Age Scotland. There were 200 individuals booked on to the Planning for Your Future open workshops, 20 Planning for Your Future in-house workshops took place, 13 Age Awareness workshops and 10 for Early Stage Dementia.

We tackle isolation and loneliness

We produced twelve point policy statement with the Mental Health Foundation in December 2017 about the links between loneliness and mental ill-health in older people. We commissioned YouGov to carry out polling on this issue which aided the formulation of the policy asks to the Scottish Government. Elements of this may be addressed and adopted by the Scottish Government in their strategy to tackle loneliness and social isolation.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (contd)

The Christmas campaign "No one should have no one" was successful in highlighting loneliness amongst older people in Scotland. The campaign demonstrated that 60,000 older Scots would spend Christmas alone. This is an increase of 10,000 on the previous year. The campaign generated significant media coverage and public awareness.

The Charity is working with the Scottish Government and partners to strengthen the national draft strategy to tackle social isolation and loneliness. The government's consultation "*A Connected Scotland: Tackling social isolation and loneliness and building stronger social connections*" was launched in January 2017. Our response to this strategy focussed on four key areas – demonstrating the successful work Age Scotland is doing to tackle loneliness and that our projects are scalable; good examples from across the world and the third sector to address this issue; calling for a named and dedicated Ministerial position to tie the work of the Scottish Government and efforts across Scotland together; and offering ways upon which the government can successfully measure the impact its work will make progress.

The Age Scotland Community Connecting service has been developed to enable helpline staff and volunteers, through a dedicated Development Worker, to help isolated older people find opportunities to get involved in activities of interest to them in their local community. Guides by local authority are continually being reviewed and updated so that there is an up-to-date list of what people can get involved in. The support of member groups in identifying and offering positive opportunities which are accessible to isolated older people.

The funding from the Robertson Trust and Scottish Government which supported two development officers for Men's sheds came to a successful conclusion last year. Funding was then awarded by the Scottish Government to ensure one Community Development Officer to support shedders. An inspiring report called "The Shed Effect" was written by Age Scotland and launched in May 2017. It outlined the benefits of these sheds and included stories from shedders themselves.

The Men's Sheds Small Development Grants Programme, which was supported by the Robertson Trust, supported 31 applicants with a total of £55,531.94. Eleven Festive Grants were issued to help member groups in Lochaber, Lochalsh, Skye and the Western Isles to hold activities to tackle loneliness and isolation. These grants were supported by the Scottish Government.

Fundraising

2017/18 was a year of transformation for Fundraising with a total change in staff, following periods of vacancy, and a complete review of priorities and focus. This resulted in a new strategic fundraising plan which includes commitment and resource to build income from corporate partners and trusts and foundations within the context of an ageing population.

The financial year ended positively with legacy income again returning a strong performance.

We are confident of a fruitful year in 2018/2019, helped by tangible and impactful work for which to fundraise – *Independent Living and Age Inclusion* – and a more collaborative approach, including closer working with Age UK.

Luminate

Supported by Age Scotland, Luminate is Scotland's creative ageing organisation. We value our relationship and it has been independent of our Charity since 2014. We have a service level agreement which defines our commitments to each other. Luminate is accommodated within the Age Scotland headquarters.

In 2017, Luminate celebrated its 5th birthday and launched its first publication "Late Opening: Arts and Older People in Scotland". It's 2017 festival was a success and it is being developed into a biennial festival starting again in 2019 so to enhance its programme.

Luminate aims to ensure that older people in Scotland are able to access high quality arts and creative activities whatever their background, circumstances and wherever they live.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (contd)

Governance

Over the year a number of membership groups closed and by 31st March 2018 membership was 1300, and the team welcomed 72 new members into the charity. We continually review Membership Development to ensure that the charity's resources are focussed on where they are needed most to deliver the strategic plan.

Our Regional Ambassadors continue to support the charity and work with member groups in a variety of ways including assisting with decision-making on the Age Scotland Tackling Loneliness and Isolation Policy, helping with planning for network events and our National conference, giving talks, visits and representing Age Scotland at important committees and conferences.

Age Scotland works with Age UK and the other members of the Age Network on areas of work aimed at delivering consistent and meaningful outcomes for older people in Scotland and the UK and ensuring that expertise and resources are directed towards greatest need.

The Memorandum and Articles of Association for the Charity were last updated on 12 February 2016.

Related party transactions

Trustees are required to disclose all relevant interests and register them with the charity and in accordance with the Charity's policy withdraw from decisions where conflict of interest arises.

No Trustees received any remuneration during the year (2017- None). Details of Trustee expenses and related party transactions are disclosed in note 8 to the accounts.

Reserves Policy

The Reserves Policy has been reviewed by Trustees during the year to 31 March 2018.

Reserves are held for three purposes:-

- (a) To enable the charity to meet all its obligations in the event of dissolution;
- (b) To hold sufficient liquid reserves to cushion the impact of fluctuations in legacy income from year to year;
- (c) To hold designated or restricted reserves for a particular purpose as identified by the board.

The Board has designated funds for the following purposes:

As at 31 st March	2018 £	2017 £
Pension scheme liability	309,700	326,000
Charitable Services Development	544,000	-
IT Development	75,000	-
Dilapidations	126,536	-
Brand Development	50,000	-
Community Development	205,000	-
	<u>1,310,236</u>	<u>326,000</u>

At 31 March 2018, £2,810,754 (2017: £1,424,701) was held in total unrestricted reserves, of this free reserves amount to £1,415,302 (2017: £985,660), the balance of free reserves as at 31 March 2018 represents just over 7 months of total unrestricted expenditure based on 2018/19 forecast unrestricted expenditure of £2.29m. It is the view of the Trustees that the group should retain the equivalent of at least 6 months (£1.1m) unrestricted operating costs as free reserves. The group has achieved the target of free reserves and going forward the plan is to maintain them at this level. Designated funds will be reviewed annually and expected to be used within for 5 years.

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Risk Statement

In 2017/18 the main areas of risk were identified as below:

Risk

Reduced public trust in the UK charity sector leads to fewer donations and impacts on Age Scotland's income and our ability to provide services and support.

Further reductions in government spending effects Age Scotland with a corresponding impact on local services and support

Fail to have an integrated IT strategy that meets all commercial, fundraising, legislative and regulatory requirements in relation to data security, and ensures that developments in digital technology are not missed.

Fail to meet our ambitious growth targets for our social enterprise and partnership businesses by not making the most of our social enterprises and partnerships.

Loss of Age UK support

Management

- We have a clear fundraising charter which addresses the concerns expressed about some fundraising practices.
- Our fundraising team has developed a robust Strategy and works closely with the Development Board
- We will continue to lobby and increase our community outreach efforts.
- We continue to apply to a broad range of funding sources to facilitate the work of Age Scotland.
- We promote our policy positions to government to influence the impact of cuts on older people
- We are conducting a strategic review of our IT capability to ensure that our strategy can meet the needs and demands of our charity and social enterprises activities and more effectively leverage digital technology.
- We will ensure we secure the best possible commercial and customer terms when entering and renewing our commercial partnerships.
- Age UK Enterprises have invested in IT systems to support their TAM network, under which Age Scotland Enterprises operates.
- We have ensured that relevant Management Information is available to monitor performance
- We continue to build the relationship with Age UK and have agreed to roll forward the terms of the existing agreement until such time that new terms are agreed.

Volunteer Contribution

Age Scotland benefited from the contribution of over 91 volunteers across Scotland in 2017/18. Volunteers contributed to our Information & Advice team including the Helpline, Fundraising, Planning for your Retirement Workshops, and in our retail shops.

Investment Policy

The Charity's investment policy is set in place with the objectives of reducing risk, increasing income and addressing ethical issues.

Grant Making Policy

Our grant programme targets projects and activities which contribute to Age Scotland's strategic goals.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (contd)

Going Concern

The Trustees have assessed the Group and Charity's financial position and, continue to focus on building the Group and Charity's reserves, and develop new strategies to underpin the work of the charity, they have a reasonable expectation that the Group and Charity will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of preparation in preparing the annual financial statements.

Trustees

The Trustees of the company who served during the year were as follows:-

Lord George Foulkes, Chair
Dorry McLaughlin, Vice Chair
Tom O'Connell, Treasurer
Professor Brendan McCormack
Ken Nicholson
Dr Alasdair Rutherford
Pennie Taylor
Alison Harrington
Sir Geoff Palmer
Professor Marion McMurdo

In 2017/18 the Board was made up of elected Trustees. The Board may also include up to three co-opted Trustees. All Trustees are volunteers and receive an induction and ongoing training.

Governing Instrument, Structure, Management & Administration Details

Age Scotland Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association.

In 2017/2018 the Trustees/Directors of the company delegated the management to:

Brian Sloan, Chief Executive
Keith Robson, Chief Executive- Charity Services (Resigned 31 January 2018)
Derek McKinley, Head of Financial Operations
Elaine Smurthwaite, Head of Resources
Mike Douglas, (Interim) Commercial Enterprise Project Director (Started 1 February 2018)

Age Scotland Limited is a company registered in Scotland, company number SC153343. The company is also a registered charity, SC010100.

Key management remuneration is set by sector benchmarking and with the agreement of the Honorary Officers.

The Trustees have taken advantage of the special exemption conferred by section 62 of the Companies Act 2006 applicable to companies limited by guarantee, allowing them to dispense with the requirement of using the word Limited, or the abbreviation Ltd. after the company name.

Plans for the future

Age Scotland continually reviews its operations and activities, to ensure that our products and services are relevant to our audience and meeting the needs of our ageing demographic. To further enhance our proposition and to meet the challenges of the future. 2018-19 will see:

- four core strategic pillars forming our products and service proposition – Community Development, Age inclusive Workplaces, Independent Living and our Enterprise business
- the charity Care and Repair Edinburgh coming under the umbrella of Age Scotland
- the development and launch of a 'Good Day Call' service

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- the continued development of the Helpline service, including community connecting
- Care and Repair Edinburgh, the Age Scotland Helpline, our Community Connecting service and the Good Day Call service forming an 'Independent Living' proposition that has the ability to be scalable
- our Training Enterprise suite of courses developing further with an Age Inclusive Matrix for employers together with new courses in Intergenerational Workplaces and Return to Work for Older People
- us working with various sporting governing bodies to lead a Walking Sports Strategy built on the success of Walking Football
- a launch of a PR campaign which will focus on intergenerational cultural change whilst increasing our own brand awareness
- further enhancement of our content and delivery methods to emphasise the importance of keeping physically active as we grow older

Provision of Information to Auditor

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Basis of Preparation

This report is prepared in accordance with the Charities SORP (FRS102) and in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:



George Foulkes
Chair
Edinburgh
14th September 2018

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of Age Scotland) are responsible for preparing the Trustees Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity and company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF AGE SCOTLAND

Opinion

We have audited the financial statements of Age Scotland ("the parent charitable company") and its subsidiaries ("the group") for the year ended 31 March 2018 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated statement of cash flows, the charity statement of financial activities, the charity balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2018 and of the group's and parent's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the trustees' report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF AGE SCOTLAND (CONTD)

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, which is included in the trustees' report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatement in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF AGE SCOTLAND (CONTD)

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Gill

Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Edinburgh
United Kingdom
Date *20 September 2018*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018(Including Consolidated Income and Expenditure Account)

	Notes	2018			2017		
		Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Income from:							
Donations & Legacies		2,246,894	67,500	2,314,394	1,966,412	67,812	2,034,224
Other Trading activities		1,245,876	-	1,245,876	1,651,201	-	1,651,201
Investments		2,010	-	2,010	263	-	263
Income from charitable activities		1,980	828,356	830,336	4,025	872,277	876,302
Total income	3	3,496,760	895,856	4,392,616	3,621,901	940,089	4,561,990
Expenditure on:							
Costs of raising funds		285,651	7,500	293,151	588,968	23,813	612,781
Fundraising trading; costs of goods sold and other costs		816,199	-	816,199	921,109	-	921,109
<i>Charitable activities</i>							
Fieldwork and Service Delivery		821,047	732,210	1,553,257	741,709	810,712	1,552,421
Policy		187,582	144,704	332,286	186,725	130,015	316,740
Total expenditure	4	2,110,479	884,414	2,994,893	2,438,511	964,540	3,403,051
Net income /(expenditure) before transfers		1,386,281	11,442	1,397,723	1,183,390	(24,451)	1,158,939
Transfers between funds	18,20	(228)	228	-	(629)	629	-
Net movement in funds		1,386,053	11,670	1,397,723	1,182,761	(23,822)	1,158,939
Reconciliation of Funds							
Funds brought forward		1,424,701	259,835	1,684,536	241,940	283,657	525,597
Balance at 31 March 2018	18,20	2,810,754	271,505	3,082,259	1,424,701	259,835	1,684,536

The statement of financial activities includes all gains and losses recognised in the year. All activities relate to continuing activities.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

	Notes	2018		2017	
		£	£	£	£
Tangible fixed assets	11a		83,866		110,781
Goodwill			<u>1,352</u>		<u>2,260</u>
			85,218		113,041
Current Assets					
Investments	13b	-		5,326	
Stock	14	-		1,069	
Debtors	15	<u>1,148,689</u>		<u>960,586</u>	
		1,148,689		966,981	
Cash at bank and in hand		<u>2,581,615</u>		<u>1,436,019</u>	
		3,730,304		2,403,000	
Creditors:					
Amounts falling due within one year	16	<u>(307,631)</u>		<u>(581,013)</u>	
Net current assets			<u>3,422,673</u>		<u>1,821,987</u>
			3,507,891		1,935,028
Creditors:					
Amounts falling due after more than one year	16		(289,096)		(23,748)
Provisions for liabilities	16a		<u>(136,536)</u>		<u>(226,745)</u>
Net Assets			<u>3,082,259</u>		<u>1,684,535</u>
Unrestricted Funds	18				
Designated Funds					
Pension Liability		309,700		326,000	
Charitable Services		<u>1,000,536</u>		<u>-</u>	
		1,310,236		326,000	
General Funds		<u>1,500,518</u>		<u>1,098,701</u>	
			2,810,754		1,424,701
Restricted Funds					
Income Funds	20		<u>271,505</u>		<u>259,835</u>
	21		<u>3,082,259</u>		<u>1,684,535</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

Approved and authorised for issue by the Board of Trustees on 14th September 2018 and signed on its behalf by:


Tom O'Connell C.A.

Treasurer

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

CONSOLIDATED STATEMENT OF CASH FLOWS

	2018	2017
Net Income/(expenditure) for the period	1,397,723	1,158,939
Adjustments for:		
Depreciation	32,180	42,103
Loss on disposal of fixed assets/Goodwill	6,186	—
Provision of listed Investments	5,326	—
Interest and dividends receivable	(2,010)	(263)
Decrease in stocks	1,069	5,087
Decrease/(increase) in debtors	(188,103)	(119,622)
Increase/(decrease) in creditors	(81,944)	(515,304)
Net cash used in operating activities	1,170,427	570,940
Cash flows from investing activities:		
Interest and dividends receivable	2,010	263
Proceeds from disposal of PPE	—	—
Purchase of PPE	(10,541)	(28,380)
Net cashflow from investing activities	(8,531)	(28,117)
Cashflow from financing activities:		
Payments of HP	—	(1,820)
Repayment of Pension Liability	(16,300)	—
Repayment of borrowings	—	(208,817)
Net cash in financing activities	(16,300)	(210,637)
Net movement in cash and cash equivalent	1,145,596	332,186
Net cash brought forward	1,436,019	1,103,833
Cash and Cash equivalents carried forward	2,581,615	1,436,019

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018 (Including Income and Expenditure Account)

	Notes	2018			2017		
		Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Income from:							
Donations & Legacies		2,651,351	67,500	2,718,851	2,510,735	67,812	2,578,547
Other Trading Activities		266,480	-	266,480	399,312	-	399,312
Investment		2,010	-	2,010	263	-	263
Charitable activities		1,980	828,357	830,337	4,025	872,277	876,301
Total income		2,921,821	895,857	3,817,678	2,914,335	940,089	3,854,424
Expenditure on:							
Raising Funds		524,392	7,500	531,892	819,898	23,813	843,711
Charitable activities		1,008,628	876,915	1,885,543	928,433	940,727	1,869,161
Total expenditure		1,533,020	884,415	2,417,435	1,748,332	964,540	2,712,872
Net income/expenditure before transfers		1,388,801	11,442	1,400,243	1,166,003	(24,451)	1,141,552
Transfers between funds		(228)	228	-	(629)	629	-
Net movement in funds		1,388,573	11,670	1,400,243	1,165,374	(23,822)	1,141,552
Reconciliation of Funds							
Funds brought forward		1,381,800	259,835	1,641,635	216,426	283,657	500,083
Balance at 31 March 2018	19,20	2,770,373	271,505	3,041,878	1,381,800	259,835	1,641,635

The statement of financial activities includes all gains and losses recognised in the year. All activities relate to continuing operations.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

CHARITY BALANCE SHEET AS AT 31 MARCH 2018

		2018	2017
	Notes		
Tangible fixed assets	11b	38,526	50,606
Investments	13a	<u>1,100</u>	<u>1,100</u>
		39,626	51,706
Current Assets			
Investments	13b	-	5,326
Debtors	15	<u>1,210,215</u>	<u>1,056,563</u>
		1,210,215	1,061,889
Bank and Cash in hand		<u>2,457,809</u>	<u>1,268,033</u>
		3,668,024	2,329,922
Creditors:			
Amounts falling due within one year	16	<u>(250,140)</u>	<u>(499,500)</u>
Net current assets		<u>3,417,884</u>	<u>1,830,422</u>
		3,457,510	1,882,128
Creditors:			
Amounts falling due after more than one year	16	(289,096)	(23,748)
Provision for liabilities	16a	<u>(126,536)</u>	<u>(216,745)</u>
Net Assets		<u>3,041,878</u>	<u>1,641,635</u>
Unrestricted Funds	19		
Designated Funds			
Pension Liability		309,700	326,000
Charitable Services		<u>1,000,536</u>	<u>-</u>
		1,310,236	326,000
General Funds		<u>1,460,137</u>	<u>1,055,800</u>
		2,770,373	1,381,800
Restricted Funds	20		
Income Funds		<u>271,505</u>	<u>259,835</u>
		<u>3,041,878</u>	<u>1,641,635</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

Approved and authorised for issue by the Board of Trustees on 14th September 2018 and signed on its behalf by:


Tom O'Connell C.A.

Treasurer

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Age Scotland is a private limited company, limited by guarantee, incorporated under the Companies Act in Scotland, with company number SC153343. The address of the registered office is Causewayside House, 160 Causewayside, Edinburgh, EH9 1PR. The nature of the group operations and its principal activities are set out on pages 1 to 9.

The company's functional and presentational currency is GBP. Rounding to the nearest pound has been applied to these financial statements.

Age Scotland constitutes a public benefit entity as defined by FRS102.

In accordance with Section 1 of FRS102, exemption has been taken from disclosing a statement of cashflows for the charitable parent company.

The results of Age Scotland Trading and Age Scotland Enterprises are consolidated on a line-by-line basis.

Going Concern

The Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, forecasts and projections are prepared and performance is monitored against these. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Stocks

Stocks of publications are charged to revenue when purchased. Stock is valued at the lower of cost and net realisable value.

Fixed assets and capital grants

Fixed assets are included in the balance sheet at cost. Depreciation is provided in the month in which the assets are brought into use. The rates of depreciation used are calculated to write off the cost less estimated value evenly over the useful life as follows:-

Buildings leasehold	20%
Leased property improvements	10%
Office equipment	20%
Computer equipment	20%-33%
Fixtures, fittings & equipment	20%

Amounts under £500 are not capitalised.

Grants received in respect of fixed assets expenditure are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Depreciation on these assets is charged against the capital fund in the Statement of Financial Activities.

Investments

Current asset investments are included at fair value as income at the date of gift. Investments are included in the balance sheet at market value at the balance sheet date.

Fixed asset investments are stated at cost less any provision for impairment

The company operates a defined contribution pension scheme and the pension charge in the statement of financial activities represents the amounts payable by the company to the fund in respect of the year.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Contd)

Accounting Policies (contd)

Pensions

The company previously operated a defined benefit pension scheme. Following a crystallisation event on 1 December 2005, the scheme has now been terminated.

Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

Dilapidation provisions

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

Expenditure

Direct costs are charged to the charitable activities and support costs are allocated on a relevant basis. Recharges of support costs are made to cost centres throughout the year on a percentage based on staff numbers, split as follows:

	Fundraising	Charitable Activities	Policy
Property, admin & management charges	9%	82%	9%

Governance costs are charged directly and include audit fees and committee expenses.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds – these are funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by donor or when funds are raised for particular restricted purposes.

Investment income

Current asset income is recognised in the accounts when receivable by the charity. The gift aid received from the subsidiary companies; Age Scotland Trading Limited and Age Scotland Enterprises Limited, is recognised in the year in which it is earned.

Donations & Legacies

Donations and Legacies are accounted for when receivable. The recognition criteria are entitlement, probable and measurement. The recognition criteria adopted is 1. Entitlement; 2. Probable and 3. Reliably Measured.

Grants receivable

Grants receivable are credited to the statement of financial activities in the year in which they are receivable.

Gifts-in-Kind

Donated facilities and services are included in the statement of financial activities in the year in which they are utilised at the value the charity estimates it would pay in the open market for an equivalent service or facility of equivalent utilities. An equivalent amount is included as expenditure under the appropriate heading in the statement of financial activities.

Related party transactions

The group has taken advantage of the available exemption from disclosing details of transactions with other group entities, in accordance with FRS102, Section 33, on the basis that the transactions and balances have been eliminated on consolidation. Transactions with the wholly owned subsidiaries are disclosed at Note 2.

Transactions with directors are disclosed at Note 8.

Key management compensation is disclosed at Note 8.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Contd)

Accounting Policies (contd)

Cash flow and Liquid resources

Cash flows comprise increases and decreases in cash and include cash in hand and cash at bank. Liquid resources comprise assets held as a readily disposable store of value. They include cash term deposits and bank notice accounts. Cash and cash equivalents comprise cash at bank and cash on deposit where funds can be accessed without penalty within three months.

Financial instruments

Financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments. An analysis is given in note 23.

Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Termination benefits

Age Scotland accepts that there are occasions when it may be necessary to make staff redundant and terminate their employment; our intention is to manage the business in a manner which results in secure employment for our employees and will always try to avoid the need for compulsory redundancies. Payments for redundancy are calculated on the basis of paying the statutory entitlements or above.

Key judgements and areas of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transfered from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

In determining whether an onerous lease provision is required, the discount factor used determines the present value of future payments is the group's weighted average cost of capital. This has been applied to the onerous element of the future payments to be made under the leases:

- Dilapidations provision has been determined using historical professional advice, adjusted for timings and taking account of subsequent negotiated reductions for similar properties.

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 5 years..

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Contd)

2. Financial activities of the subsidiaries

a. Age Scotland Trading Limited

Age Scotland Trading Ltd (SC352746) produced a loss this year is £5,935 (2017: profit £21,509) after tax. A summary of the trading results is shown below:-

	2018 £	2017 £
Turnover	338,357	612,316
Cost of sales & administration costs	(344,292)	(590,807)
Net Profit (loss)	(5,935)	21,509
Retained in subsidiary	(5,935)	21,509
The assets and liabilities of the subsidiary were:		
Fixed assets	598	10,574
Current assets	57,573	63,433
Current liabilities	(18,391)	(28,292)
Total net assets	39,780	45,715
Aggregate share capital and reserves	39,780	45,715

The Charity holds 529,474 Ordinary £1 shares in Age Scotland Trading Ltd, representing 100% of the issued share capital.

b. Age Scotland Enterprises Limited

Age Scotland Enterprises Limited (SC199856), is incorporated in Scotland, and provides general insurance services and matters relating to the general insurance business. The company pays all of its available tax profits by gift aid. In the current financial year, the company paid £404,457 (2017: £544,323) to the charity by gift aid. A summary of the trading results is shown below:-

	2018 £	2017 £
Turnover	758,228	918,462
Cost of sales & administration costs and tax	(354,019)	(377,567)
Net Profit	404,209	540,895
Amount gift aided to the Charity	(404,457)	(544,323)
Net Result	(248)	(3,428)
The assets and liabilities of the subsidiary were :		
Fixed assets	44,742	49,601
Current assets	173,920	220,870
Current liabilities	(218,311)	(269,872)
Total net assets	351	599
Aggregate share capital and reserves	351	599

As at 31st March 2018 the Charity holds 100 ordinary £1 shares in Age Scotland Enterprises, representing 100% of issued share capital.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Contd)

3. Income - Group

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Donations & Legacies				
Donations & gifts	141,170	-	141,170	194,308
Legacies	1,652,025	-	1,652,025	1,405,340
Trust and Corporates	105,099	7,500	112,599	128,000
Age UK Grant	348,600	-	348,600	246,000
Gift Aid Received	-	-	-	576
Core Grant	-	60,000	60,000	60,000
	<u>2,246,894</u>	<u>67,500</u>	<u>2,314,394</u>	<u>2,034,224</u>
Other Trading Activities				
Appeal	27,304	-	27,304	37,894
Property	25,000	-	25,000	14,433
Pre Retirement/Dementia Training	96,590	-	96,590	92,143
Age Scotland Trading Ltd	338,754	-	338,754	612,316
Age Scotland Enterprises Limited	758,227	-	758,227	894,415
	<u>1,245,876</u>	<u>-</u>	<u>1,245,876</u>	<u>1,651,201</u>
Investment				
Interest	1,975	-	1,975	192
Dividends	36	-	36	71
	<u>2,010</u>	<u>-</u>	<u>2,010</u>	<u>263</u>
Charitable Activities				
Fieldwork & service delivery	1,980	746,171	748,151	750,053
Policy	-	82,185	82,185	126,249
	<u>1,980</u>	<u>828,356</u>	<u>830,336</u>	<u>876,302</u>
Total income	<u>3,496,760</u>	<u>895,856</u>	<u>4,392,616</u>	<u>4,561,990</u>

Activities for generating funds consist of assorted appeals, donations, sponsored events and subsidiary income.

Grant income

Included in restricted income are the following receipts of grants:

FUNDER	2018 £	2017 £
Scottish Government		
a) Helpline	167,189	173,920
b) Housing	82,185	126,249
c) Core grant	60,000	60,000

Significant grant support has been received from the Scottish Government, most of which is restricted to accomplish the work of various projects.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

NOTES TO THE FINANCIAL STATEMENTS (Contd)

4. Expenditure - Group

	Activities Undertaken £	Support Costs (Note 5) £	2018 Total £	2017 Total £
Raising Funds				
Cost of raising funds	61,376	-	61,376	69,301
Legacies	33,245	-	33,245	61,074
Age Scotland Trading Ltd	198,530	-	198,530	482,405
	<u>293,151</u>	<u>-</u>	<u>293,151</u>	<u>612,780</u>

Fundraising costs of goods sold and other costs

Fundraising	48,023	67,255	115,278	156,821
Property	209,254	-	209,254	199,240
Now & Next	109,070	-	109,070	102,433
Age Scotland Trading Ltd	28,577	-	28,577	108,402
Age Scotland Enterprises	354,020	-	354,020	354,213
	<u>748,944</u>	<u>67,255</u>	<u>816,199</u>	<u>921,110</u>

Charitable activities

Fieldwork & Service delivery	949,752	603,505	1,553,257	1,552,421
Policy	265,509	66,777	332,286	316,740
	<u>1,215,261</u>	<u>670,282</u>	<u>1,885,543</u>	<u>1,869,161</u>

Total expenditure

	<u>2,257,356</u>	<u>737,537</u>	<u>2,994,893</u>	<u>3,403,051</u>
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5. Support Costs

	Fundraising £	Charitable Activities £	Policy £	2018 Total £	2017 Total £
Property	15,064	135,178	14,957	165,199	213,366
Administration	40,808	366,187	40,518	447,514	330,705
Management	8,934	80,168	8,871	97,973	64,839
Governance	2,449	21,972	2,431	26,851	42,547
	<u>67,255</u>	<u>603,505</u>	<u>66,777</u>	<u>737,537</u>	<u>651,457</u>

Governance costs:	2018 £	2017 £
Audit fees	8,350	8,250
Non audit/professional fees	11,247	22,891
AGM & Directors expenses	4,051	3,324

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Contd)

6. Grants Payable – Group and Charity

Grants payable are debited to the financial statements in the year in which they are awarded.

Included within costs of charitable activities are the following grants paid to member groups:-

Name of Group	2018 £	2017 £
Aberchirder and District Mens shed	1,000	-
Aboyne & District Men's Shed	1,199	1,199
ASRA	-	2,425
Barrhead Men's shed	1,910	-
Bellshill Men's shed	1,162	-
Braemar Men's shed	1,000	-
Campbeltown Men's Shed	1,100	-
Campbeltown Old Pals Association	-	2,500
Carse of Gowrie & District Mens shed	1,000	-
Clear Buckhaven Mens Shed	1,000	-
Culter & District Mens Shed	1,000	-
Dalbeattie Mens Shed	1,000	-
Dingwall Men's Shed	1,000	-
Dumfries Mens shed	-	1,788
Dunoon Mens Shed	1,000	1,465
Forres Victoria Bowling Club	-	1,500
Fort William Mens Shed	-	2,500
Glenrothes Mens shed	1,650	-
Grampian 50+ Network	-	1,500
Grampian Hospital Arts Trust	-	1,000
Grangemouth Community Care	-	1,540
Islay & Jura Seniors Forum	-	2,220
Kelso Men's shed	1,000	-
Kennoway Community Shed	1,000	-
Kilmarnock YMCA	-	1,000
Lochmaben Mens Shed	-	1,500
Luminate	5,625	5,461
MacMerry Mens' shed	-	2,500
Mallaig & Dist Swimming Pool	-	2,500
Men's Shed Clydebank	1,541	-
Merkinch Community Centre	-	1,000
Milan Senior Welfare Organisation	-	1,835
Pakistan Society Advice & Information	-	1,250
Rhins Mens Shed	-	1,500
ROAR – Connections for Life	-	2,430
Rutherglen & Cambuslang Mens Shed	-	1,402
South Edinburgh Arts Fair Association	-	1,000
St Georges & St Peters Community Association	-	1,500
Strahmore Men's Shed	1,012	-
The Men of Leith Men's Shed	1,000	-
The Newlands Centre	-	1,100
Turriff & District Men's Shed	1,000	-
Utheo Limited	-	2,100
< £1,000	7,054	49,706
Total	34,253	97,421

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (contd)

7. Operating surplus for the year

The group operating surplus for the year is stated after charging

	2018 £	2017 £
Auditors Remuneration		
- Audit of charity	8,350	8,250
- Audit of subsidiaries	6,925	6,400
- Other fees	4,950	1,782
Depreciation	32,180	42,103
Operating lease costs	334,837	465,374

8. Staff numbers and costs

The average weekly number of full-time equivalent employees during the year was:

	2018 Number	2017 Number
Charitable work	33	32
Administration	4	4
Fundraising	4	5
	<u>41</u>	<u>41</u>

The aggregate remuneration and associated costs of the employees were:

	2018 £	2017 £
Wages and salaries	1,226,338	1,206,075
Social Security costs	107,708	105,401
Pension costs	74,574	75,011
Termination benefits	-	17,537
	<u>1,408,618</u>	<u>1,404,024</u>

No employee earned between £60,000 & £70,000 per annum (2017: one employee). Travel expenses totalling £671 (2017 £2,051) were paid to two of the Trustees (2017: nine Trustees).

No Trustee received any remuneration (2017: £Nil) during the year.

The Key management personnel of both the parent charity and the group comprise the Chief Executive; Deputy Chief Executive – Charity Services, Head of Financial Operations, Head of Resources and (Interim) Commercial Enterprise Project Director. The total employee benefits of the key management personnel of the Charity were £273,921 (2017: £257,434).

9. Investment Income

Investment income represents interest receivable on bank deposits and dividends received.

10. Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

NOTES TO THE FINANCIAL STATEMENTS (Contd)

11(a). Tangible Fixed Assets – Group

	Leased Property Improvements £	Office Equipment £	Fixtures, Fittings & Equipment £	2018 Total £
Cost				
As at 1 April 2017	201,410	813,996	87,177	1,102,583
Additions	-	10,541	-	10,541
Disposals	(77,039)	(376,658)	(8,116)	(461,813)
As at 31 March 2018	124,371	447,879	79,061	651,311
Depreciation				
As at 1 April 2017	187,986	767,114	36,701	991,801
Charge	4,444	22,003	5,733	32,180
Disposals	(72,393)	(376,028)	(8116)	(456,536)
As at 31 March 2018	120,037	413,089	34,319	567,445
Net Book Value				
As at 31 March 2018	4,334	34,790	44,742	83,866
As at 31 March 2017	13,424	46,882	50,476	110,782

11(b). Tangible Fixed Assets – Charity

	Leased Property Improvements £	Office Equipment £	2018 Total £
Cost			
As at 1 April 2017	124,371	808,576	932,947
Additions	-	10,541	10,541
Disposals	-	(372,233)	(372,233)
As at 31 March 2018	124,371	446,884	571,255
Depreciation			
As at 1 April 2017	118,593	763,748	882,341
Charge	1,444	21,176	22,620
Disposal	-	(372,233)	(372,233)
As at 31 March 2018	120,037	412,691	532,729
Net Book Value			
As at 31 March 2018	4,334	34,192	38,526
As at 31 March 2017	5,778	44,828	50,606

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

NOTES TO THE FINANCIAL STATEMENTS (Contd)

12. Tangible Fixed Assets – Charity (contd)

The net book value of, and depreciation charge for the year on, tangible fixed assets includes assets held under finance leases and hire purchase contracts as follows:

	CHARITY		GROUP	
	2018 £	2017 £	2018 £	2017 £
Net Book Value:				
Office Equipment	-	3,617	-	3,617
Depreciation charged:				
Office Equipment	-	2,894	-	2,894

13. Investments

a. Fixed Assets

	CHARITY		GROUP	
	2018 £	2017 £	2018 £	2017 £
Investment in subsidiary	529,574	529,574	-	-
Provision	(528,574)	(528,574)	-	-
	1,100	1,100	-	-

b. Current Assets - Group and Charity

	2018 £	2017 £
Market value as at 1 April 2017 and March 2018	5,326	5,326
Provision for Listed Investments	(5,326)	-
	-	5,326
Historical cost	-	3,480

14. Stock

	CHARITY		GROUP	
	2018 £	2017 £	2018 £	2017 £
Stock	-	-	-	1,069

15. Debtors

	CHARITY		GROUP	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	54,852	45,599	139,587	47,394
Accrued income	940,100	738,794	940,100	813,686
Other debtors	1,866	212,824	5,946	11,026
Prepayment	44,960	59,346	63,056	88,479
Due from group undertakings	168,437	-	-	-
	1,210,215	1,056,563	1,148,689	960,586

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Contd)

16. Creditors:

Amounts falling due within one year

	CHARITY		GROUP	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	64,331	53,207	71,875	66,777
Pension scheme liability	32,600	326,000	32,600	326,000
Other creditors	97,002	91,618	136,594	148,543
Other taxes and social security costs	6,705	22,566	17,060	33,584
Deferred income (note 17)	49,502	6,110	49,502	6,110
	<u>250,140</u>	<u>499,501</u>	<u>307,631</u>	<u>581,014</u>

The Pension Scheme Liability of £309,700 has been accrued following an agreement reached with Lothian Pension Fund, to repay the debt over a period of between 10 and 20 years, dependent on the outcome of certain agreed KPIs.

Amounts falling due after more than one year

	CHARITY		GROUP	
	2018	2017	2018	2017
	£	£	£	£
Pension Scheme Liability	277,100	-	277,100	-
Other creditor	11,996	23,748	11,996	23,748
	<u>289,096</u>	<u>23,748</u>	<u>289,096</u>	<u>23,748</u>

The Pension Scheme Liability of £309,700 has been accrued following an agreement reached with Lothian Pension Fund, to repay the debt over a period of between 10 and 20 years, dependent on the outcome of certain agreed KPIs.

16a Provisions for liabilities

	CHARITY		GROUP	
	2018	2017	2018	2017
	£	£	£	£
Onerous leases	33,296	116,613	33,296	116,613
Dilapidations	93,240	100,132	103,240	110,132
	<u>126,536</u>	<u>216,745</u>	<u>136,536</u>	<u>226,745</u>

The onerous leases provision covers costs associated with satisfying the remaining lease costs on retail shops closed as part of the restructure.

The dilapidations provision is the estimated costs of making good all current retail shops when they reach the end of their leases.

17. Deferred Income – Group and Charity

	£
Balance at 1 April 2017	6,110
Released in the year	(6,110)
Deferred in the year	<u>49,502</u>
Balance at 31 March 2018	<u>49,502</u>

Deferred Income relates to Age Scotland Training Enterprises income, and Grant received in the year for the community Connecting Project.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2018**

NOTES TO THE FINANCIAL STATEMENTS (Contd)

18. Unrestricted Funds – Group

	Balance at 31 March 2017 £	Income £	Expenditure £	Transfers £	Unrealised / realised gain on Investmen t £	Balance at 31 March 2018 £
General funds	1,098,701	3,496,760	(2,094,179)	(1,000,764)	-	1,500,518
Designated Fund:						
Pension scheme liability	326,000	-	(16,300)	-	-	309,700
Charitable Services Development	-	-	-	544,000	-	544,000
Dilapidations	-	-	-	126,536	-	126,536
IT Development	-	-	-	75,000	-	75,000
Brand Development	-	-	-	50,000	-	50,000
Community Development	-	-	-	205,000	-	205,000
Total	1,424,701	3,496,760	(2,110,479)	(228)	-	2,810,754

In 2017/18 the Board has designated funds for a pension scheme liability - £309,700, Charitable Services Development £544,000; Dilapidations £126,536; IT Development - £75,000; Brand Development - £50,000; Community Development - £205,000. Designated funds will be reviewed annually and are anticipated to be used within 5 years.

19. Unrestricted Funds – Charity

	Balance at 31 March 2017 £	Income £	Expenditure £	Transfers £	Unrealised / realised gain on Investment £	Balance at 31 March 2018 £
General funds	1,055,800	2,921,821	(1,516,720)	(1,000,764)	-	1,460,137
Designated Fund:						
Pension scheme liability	326,000	-	(16,300)	-	-	309,700
Charity Services Development	-	-	-	544,000	-	544,000
Dilapidations	-	-	-	126,536	-	126,536
IT Development	-	-	-	75,000	-	75,000
Brand Development	-	-	-	50,000	-	50,000
Community Development	-	-	-	205,000	-	205,000
	1,381,800	2,921,821	(1,533,020)	(228)	-	2,770,373

In 2017/18 the Board has designated funds for a pension scheme liability - £309,700, Charitable Services Development £544,000; Dilapidations £126,536; IT Development - £75,000; Brand Development - £50,000; Community Development - £205,000. Designated funds will be reviewed annually and expected to be used within for 5 years.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Contd)

20. Restricted funds – Group and Charity

	Balance at 31 March 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2018 £
Scottish Government	-				
Housing	43,310	82,185	(124,824)	-	671
Allied Health Professional	29,244	17,500	(26,859)	-	19,885
Core Grant					
Advantage Magazine	-	22,000	(19,880)	-	2,120
Community Development	6,478	20,700	(27,404)	226	-
Information General	3,744	18,000	(12,528)	-	9,216
Helpline Grant	35,998	167,189	(203,121)	-	67
Life Changes Trust	71,892	175,404	(130,630)	-	116,666
Men's Sheds	39,254	50,000	(77,436)	-	11,818
Quality of Life	15,828	-	(15,830)	2	-
Money Advice Service	14,087	85,679	(107,551)	-	(7,786)
Aged Veterans Fund	-	157,566	(95,339)	-	62,227
Energy Project	-	25,000	(17,286)	-	7,714
Highland Dementia Project	-	12,434	(10,944)	-	1,490
Speaking Up for Our Age	-	54,700	(7,283)	-	47,417
Restricted Donations					
Big Knit	-	7,500	(7,500)	-	-
	259,835	895,857	(884,415)	228	271,505

Balances carried forward at the year-end are as follows:

The Housing Grant support the Charity's housing policy work.

Allied Health Professionals support the work of staff to deliver Age Awareness training and our Body Boosting Bingo to groups across Scotland.

Scottish Government Core Grant supports the production of a quarterly magazine, the delivery of an annual conference and the production of information advice leaflets.

The Helpline Grant pays the support costs for the Age Scotland Helpline.

The Life Changes Trust Grant helps the delivery of Early Stage Dementia Training across Scotland.

Men Sheds is Scottish Government funding to provide support and advice to the development of Men Sheds across Scotland.

Money Advice Service, has now completed and the final payment of the grant is due in June 2018, which will cover the deficit funds.

Aged Veterans Fund is a project working in partnership with various groups/organisation to deliver support and advice to older veterans across Scotland.

Energy Project is a grant provides advice and support for groups across Scotland on Energy.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Contd)

High Dementia Project is in addition to the Life Changes Trust funding to concentrate delivery of Early Stage Dementia training in the Highlands

Speaking up for our age, is a historic project to look at groups and individual who have been involved with the Charity over the last 75 years and gather their stories. .

Restricted Legacies and Donations represent monies held for expenditure on projects in a defined geographical area.

Unrestricted reserves are held as designated funds for particular purposes as identified by the Board and in accordance with the Charity's Reserves Policy listed on page 6 of the Trustees Report.

21. Analysis of the assets between funds – Group

	Unrestricted Funds	Designated Funds	Restricted Funds	2018 Total Funds	Unrestricted Funds	Designated Funds	Restricted Funds	2017 Total Funds
	£	£	£	£	£	£	£	£
Investments	-	-	-	-	5,326	-	-	5,326
Fixed assets	85,218	-	-	85,218	113,041	-	-	113,041
Net current assets	1,840,932	1,310,236	271,505	3,422,673	1,230,827	326,000	259,835	1,816,662
Long term liabilities	(289,096)	-	-	(289,096)	(23,748)	-	-	(23,748)
Provisions for liabilities	(136,536)	-	-	(136,536)	(226,745)	-	-	(226,745)
	<u>1,500,518</u>	<u>1,310,236</u>	<u>271,505</u>	<u>3,082,259</u>	<u>1,098,701</u>	<u>326,000</u>	<u>259,835</u>	<u>1,684,536</u>

22. Lease commitments

The company had total commitments under non-cancellable leases expiring as follows:-

	2018 £	2017 £
Operating lease expiring:		
In less than one year	198,436	334,837
In 2-5 years	247,302	492,552
After more than 5 years	-	20,956
Total commitments	<u>445,738</u>	<u>848,345</u>

23. Financial Instruments

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Financial assets held at Fair value	-	<u>5,326</u>	-	<u>5,326</u>
Financial assets held at amortised cost	<u>3,667,248</u>	<u>2,297,334</u>	<u>3,623,064</u>	<u>2,265,250</u>
Financial liabilities held at amortised cost	<u>530,165</u>	<u>573,698</u>	<u>483,029</u>	<u>494,573</u>

Financial assets held at fair value comprise of listed investments.

Financial assets held at amortised cost include cash in hand and at bank, trade debtors, other debtors, accrued income and amounts due from intercompany.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Contd)

Financial liabilities held at amortised cost include trade creditors, hire purchase creditor, other creditors, Age UK loan, and the pension scheme liability.

24. Pension Scheme

A defined contribution pension scheme is operated by the group on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £74,571 (2017- £75,011).

The group previously operated a defined benefit pension scheme. Following a crystallisation event on 1 December 2005, the scheme has now been terminated. The Lothian Pension Fund and Age Scotland have a formal agreement in place to repay the liability. This liability is included within the Creditors, Note 16 of these financial statements.

25. Post Balance Sheet Events

Care & Repair Edinburgh

Following discussions between the Trustees of Age Scotland and Care & Repair Edinburgh, Age Scotland was appointed the sole member of Care & Repair Edinburgh on 1st June 2018.

Care & Repair Edinburgh will remain a separately registered charity, with its own Board and constitution but both organisations will work more closely together on future initiatives to extend their social impact.

Bathgate shop

In line with the Charity's agreed retail strategy, the Bathgate shop ceased trading on 31st July 2018. The Charity now has one fully operational shop in Broxburn, which makes a positive financial contribution to the charity's income generation.